GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:2537
ANSWERED ON:01.12.2016
Mineral Exploration Permits to Private Sector Players
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Will the Minister of MINES be pleased to state:

(a) whether the Government has approved the auctioning exploration permits to private sector players on a revenue sharing basis starting with 100 identified mineral blocks over the next few months, if so, the details thereof;

(b) whether the progress on exploration has been quite poor with just 10 per cent of a potential 8 lakh square kilometers being explored so far, if so, the facts thereof and the reasons therefor;

(c) whether new mining laws require all blocks with identified minor reserves to be auctioned instead of allotted administratively, if so, the details thereof; and

(d) whether there is no guarantee for those who explored for the minerals would be able to exploit the blocks which were found viable for mining, if so, the details thereof and the reasons therefor?

Answer

(a): The National Mineral Exploration Policy-2016 (NMEP), approved by the Government, proposes incentivization of explorers in the way of providing costs for the operations carried out during mineral exploration and sharing of revenue in case of successful auction of mining blocks. 100 reasonable areas/blocks for regional exploration has been identified by the Geological Survey of India (GSI). Out of these about 20 blocks of gold, copper, zinc, basemetals, rare earth elements, tungsten, tin, lithium, platinum group of elements, kimberlite, copper, chromium, nickel, cobalt and vanadium in the States of Gujarat, Rajasthan, Odisha, Karnataka, Kerala, Tamil Nadu, Maharashtra, Chhattisgarh, Haryana, etc.have been identified for exploration by private agencies.
(b): GSI has covered the entire 31.4 lakh sq km of the country's mappable area by systematic geological mapping on 1:50,000 scale on the basis of which the geological potential area has been identified. GSI has enhanced efforts towards unravelling the concealed subsurface deposits, and as a pre-requisite to this, it has launched its National Geochemical Mapping (NGCM) and National Geophysical Mapping (NGPM) programs. Of the identified geological potential area of about 8 lakh sq. km., GSI has covered 3.17 lakh sq. km. and 1.9 lakh sq. km. by NGCM and NGPM respectively. Private and public mineral exploration agencies carry out mineral exploration programmes based on the above baseline data.

(c): The Mines and Minerals (Development and Regulation) Act, 1957 [MMDR] was amended through the MMDR Amendment Act, 2015 which is deemed to have come into force w.e.f. 12.01.2015. One of the amendment provision stipulates that mineral concessions shall be granted through auction by competitive bidding except for mineral concessions proposed to be granted through reservation to Government Companies under Section 17A. Allocation of mineral concessions before the amendment was done on first-come-first-served basis. Section 15 of the MMDR Act empowers the State Government to frame rules to regulate the grant of mineral concessions for minor mineral and for purposes connected therewith. As such, allocation of mineral concessions for minor minerals comes under the legislative and administrative jurisdiction of State Government.
(d): The Mines and Minerals (Development and Regulation) Amendment Act, 2015 (MMDR Amendment Act, 2015) has two specific provisions for mineral exploration viz. Non-exclusive Reconnaissance Permit [NERP] and Prospecting License-cum-Mining Lease [PL-cum-ML] through which private sector can participate in mineral exploration. However, the holder of NERP shall not be entitled to any claim for grant of Prospecting Licence-cum-Mining Lease (PL-cum-ML) or Mining Lease (ML).
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